

## REMARKS

### Rejection Under 35 USC § 103

Claims 1-12 have been rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 6,360,210 to Wallman ("Wallman") in view of U.S. Patent No. 6,317,727 to May ("May"). Applicant respectfully traverses the rejection and requests reconsideration.

The Examiner states that "obviousness is not determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments." The Examiner concludes, "[u]sing this standard, the Examiner respectfully submits that he has at least satisfied the burden of presenting a *prima facie* case of obviousness, since he has presented evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and motivations for combinations that fairly suggest Applicant's claimed invention." (See, Office Action page 4, ¶ 5). Applicants disagree and submit that the Examiner has not established the three requirements for a proper *prima facie* case of obviousness.

The MPEP establishes there are three basic criteria for establishing a *prima facie* case of obviousness:

1. there must be some suggestion or motivation to modify the reference or combine reference teachings;
2. there must be a reasonable expectation of success; and
3. the prior art reference (or references when combined) must teach or suggest all the claim limitations. (See, MPEP § 2143).

Applicants submit that the Examiner has not established at least the first or third requirement for a proper *prima facie* case of obviousness based on these criteria. Regarding the third requirement, the Examiner acknowledges that the Wallman does not explicitly disclose allocating the risk to a bidder submitting an acceptable bid and auction host computer. (See, Office Action, page 2, ¶ 3). Therefore, the Examiner relies on May as allegedly "disclosing these steps [citing] [abstract; Figures 1-2, 19, 22, 23; C1 L26-LL50; C3 L65 to C4 L4; C11 L64

to C12 L46; C38 L32-L45] to provide an auction and settlement system and settle the trade by sending confirmation to both parties." (See, Office Action, page 2, ¶ 3). Based on these cited passages in May, the Examiner concludes, "It would have been obvious...to modify the disclosure of Wallman and include allocating the risk to a bidder submitting a acceptable bid using auction host computer, as disclosed by May to provide settlement module to settle the bid for bidder who has entered into a transaction with counterparty." (See, Office Action, page 2, ¶ 3).

However, Applicants submit that May's settlement system does not remedy the deficiency identified in Wallman. Applicants submit that the Examiner has over-generalized May's settlement system which simply calculates a commission/generates and transmits a confirmation (See, May, Col. 12, lines 14-16) and fails to teach or suggest "allocating the risk to a bidder submitting a acceptable bid", as recited in independent claim 1. Accordingly, Applicants submit that a prima facie case of obviousness has not been established.

In May, the Examiner alleges that the abstract and Figs. 1, 2, 19, 22, 23 disclose the claim element. However, Applicants submit that the abstract and the figures do not teach or suggest "allocating the risk to a bidder submitting a acceptable bid" as recited in independent claims. Rather than discussing allocation of risk, the abstract discusses "A credit monitoring system in an electronic trading system [that] forms a complex check to determine if two particular counterparties will except each other for a particular trade based upon their respective predefined credit preferences." (See, May, abstract). Furthermore, figure 1 illustrates a schematic diagram of a computer network implementing an electronic trading system, whereas figure 2 illustrates the architecture and functionality of a [electronic trade] central processing center (See, May, Col. 7, lines 36-42). Similarly, figures 19, 22, and 23 illustrate a term negotiation interface, examples of an auction interface, and a main screen interface, respectively.

The figures illustrate aspects of May's electronic trading system, but do not teach, disclose or suggest allocating risk to a bidder submitting an acceptable bid, as recited in claim 1.

Similarly, the Examiner alleged that certain passages (C1 L26-LL50; C3 L65 to C4 L4; C11 L64 to C12 L46; C38 L32-L45) in May disclose the claimed element. However Applicants submit that these passages simply discuss aspects of May's electronic trading system and settling trades, but do not teach, disclose or suggest allocating risk to a bidder as recited in claim 1. Instead, in the background of the invention, May discusses the limitations on electronic trading systems as generally being limited to a single market (e.g., futures, cash, oil, stock, etc...) (See, May, Col. 1, lines 26-50). Also the Background in May discusses a system in Togher, et al. (US Patent No. 5,375,055) which is described as including, "a first trader having an open quote that is displayable as the best dealable or regular dealable quote...[and the first trader] is automatically alerted that their bid (offer) is the best price available to at least one potential counterparty..." (See, May, Col. 3, line 65-Col. 4, line 4). May describes Fig. 2 as illustrating May's core system as a "central processing center 12 which includes a trade mechanism 30, a group server mechanism 32, auction mechanism 34, and a switch mechanism..." and briefly describes the various mechanisms (See, May, Col. 11, line 63 - Col. 12 line 46). In that cited passage, May also describes "[t]he settlement module 42 [as a module that] calculates the appropriate commission, generates the confirmation, and sends the confirmation to the two parties." (See, May, Col. 12, lines 14-16). In the last cited passage, May discusses the automatic transmission of a trade confirmation to the parties that includes the trade details such as "the quantity or volume traded, identification of the financial instrument that traded, price, date and time the execution is recorded, and a settlement ID that uniquely identifies the transaction." (See, Col. 38, lines 36-41). However, Applicants submit that May's simple discussion of quotes or offers, a central processing center 12, an auction mechanism 34, and/or a settlement module

that calculates the appropriate commission, generates and sends a confirmation does not teach, disclose or suggest "allocating the risk to a bidder submitting a acceptable bid," as recited in independent claim 1.

As detailed above, Applicants submit that the Examiner's cited passages that allegedly remedy the deficiencies of Wallman do not teach, disclose, or suggest all the claim elements recited in independent claim 1. MPEP § 2143.03 states, "[t]o establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." *In re Royka*, 490 F.2d 981 (CCPA 1974). The section also establishes, [a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970). The Examiner acknowledges Wallman does not explicitly disclose allocating the risk to a bidder submitting an acceptable bid and auction host computer. (See, Office Action, page 2, ¶ 3). Moreover, Applicants respectfully submit that May's electronic trading system's settlement module that calculates a commission and generates/transmits confirmations does not teach, disclose or suggest allocating the risk to the bidder, as asserted by the Examiner. Should the Examiner disagree, Applicants request that the Examiner provide specific support for his position that May discloses allocating the risk to the bidder.

However, in light of the deficiencies of Wallman and May, Applicants submit that Examiner has not established the three requirements for a *prima facie* case of obviousness. Applicants submit that in addition to the prior art reference (or references when combined) not teaching or suggesting all the claim limitations, Applicants submit the Examiner has not established a suggestion or motivation to modify the reference or combine reference teachings. MPEP § 2143.01 establishes that, "[t]he mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the

desirability of the combination". *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990). Accordingly, Applicants submit a *prima facie* case of obviousness has not been established and request that the rejections on these grounds be withdrawn.

### **CONCLUSION**

Applicants submit that independent claim 1 is patentably distinct from the cited references, taken alone or in combination for at least these reasons. Applicants submit that the independent claims 10, 11 and 12 are patentably distinct from the cited references taken alone or in combination for at least similar reasons. Furthermore, Applicants submit that claims 1-9, which are directly dependent from independent claim 1, are also patentably distinct from the cited references for at least similar reasons. Therefore, Applicants submit that the in light of the foregoing remarks, the pending claims are in condition for allowance.

If a telephone conference would facilitate prosecution of this application in any way, the Examiner is invited to contact the undersigned at the number provided.


**AUTHORIZATION**

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17209-012.

In the event that an extension of time is required, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17209-012.

Respectfully submitted,  
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